

# Weekly Market Report

15 May 2023

## Overview

### TL;DR

- The annual inflation rate in the United States has reduced to 4.9%, which is lower than the 5% consensus expectation.
- The Consumer Price Index still climbed 0.4% on a seasonally adjusted basis in April.
- Bitcoin (BTC) has recovered from a low of \$25,800 and rose to \$27,400, with stocks and commodities also on the rise, indicating a potential run to new highs.

### Weekly Price Movement

**BTC** - \$27,459 - ▼3.53%

**ETH** - \$1,831 - ▼2.25%

**USDT** - \$1.00 - 0.00%

**BNB** - \$315 - ▼2.47%

**USDC** - \$1.00 - 0.00%

### Weekly Top Gainers

**KAVA** - \$1.00 - ▲45.35%

**BSV** - \$35.79 - ▲17.54%

**LDO** - \$1.99 - ▲17.54%

## Global Market Highlight

Several Federal Reserve officials will be speaking this week about the state of the economy. Investors will be looking for signals that the FOMC committee members' hawkish posture has shifted to meet the market's belief that interest rates would be slashed as soon as September. Markets will also pay attention to upcoming economic data, which will help form expectations for the Federal Reserve's future moves.

The Dow Jones Industrial Average (DJIA) and the S&P 500 (SPX) fell this week, but the tech-heavy Nasdaq Composite (NDAQ) and the Nasdaq 100 (NDX) rose.

## BTC Price Bounce Back From \$26,000

The United States Treasury Secretary, Janet L. Yellen, warned the United States Congress that if the debt limit is not raised or suspended, the country will run out of money to meet government expenses by June 1. This circumstance has intensified the need for President Joe Biden and lawmakers to achieve a deal fast to avert a U.S. debt default.

Behind the shadow of the U.S. debt default, there was good news on the annual inflation rate in the United States, which reduced to 4.9%. The actual rate was less than the 5% consensus expectation. Despite the drop in inflation, the Consumer Price Index climbed 0.4% on a seasonally adjusted basis in April.

Bitcoin (BTC) has recovered from a low of \$25,800 late Friday (12/05), rising to \$27,400 early Monday (15/05). Stocks and commodities were both rising at the same time with Bitcoin. We could see that BTC's recent hold of the \$27,000 level is preparing the cryptocurrency for a run to new highs.

## Announcements and Important Dates

- U.S. Retail Sales Announcement - Tuesday, 16 May 2023
- U.S. Industrial Production Index Results - Thursday, 18 May 2023
- Philadelphia Fed Manufacturing Survey Results - Thursday, 18 May 2023

# Bitcoin

## TL;DR

- Selloff rebound around \$26,000.
- Reclaiming \$27,200 will be pivotal for market trend.
- Failing to reclaim \$27,200 might continue the downtrend.
- Reclaiming 27200 will invalidate previous breakout.

## Trading Insights

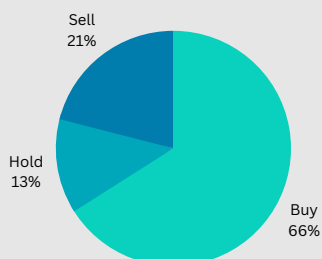
Intraday

Neutral

Intraweek

Mildly bearish

## Holder's Making Money at Current Price



## Options Vaults

Sell Call @ \$29,500, exp 19 May

Sell Put @ \$25,500, exp 19 May



## Technical Analysis

The market recently experienced a selloff but rebounded around \$26,000. Current technical analysis of Bitcoin suggest that the market trend will depend on the pivotal point of reclaiming \$27,200. If this level is successfully reclaimed, it could indicate an upward trend.

However, if the market fails to reclaim \$27,200, it may continue the downtrend. Moreover, reclaiming \$27,200 will invalidate the previous breakout. Overall, the market's direction will hinge on this critical level.

## Fundamental Analysis

Over the past week, BTC fell below the support of the 100-week exponential moving average (EMA), plunging 6% in one week, before bouncing off the historically significant resistance of the 200-week EMA, which is currently at the \$26,000 level, due to macroeconomic issues and the statement made by the U.S. Treasury Secretary, who predicted a possible default on the nation's debt.

With the market condition that indicated a bear market, the number of investors purchasing Bitcoin has increased by 5% compared to last week's data. So does the number of investors that sell their BTC holding has down from 30% last week to 21%.



# Ethereum

## TL;DR

- ETH rebound on major 1750 support
- Breakout below 1750 will lead to strong selloff
- While current intraday trend is bullish, breakout below 1750 is still probable

## Trading Insights

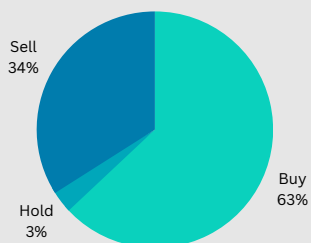
*Intraday*

Mildly Bullish

*Intraweek*

Neutral

## Holder's Making Money at Current Price



## Options Vaults

Sell Call @ \$1.950, exp 19 May

Sell Put @ \$1,700, exp 19 May



## Technical Analysis

Ethereum (ETH) recently experienced a rebound, finding support at the significant level of \$1,750. This bounce back suggests a potential bullish trend in the short term. However, caution is advised as there is a possibility of a breakout below the \$1,750 support. If this occurs, it could trigger a substantial selloff in the market.

Despite the current intraday bullishness, the likelihood of a breakout below \$1,750 remains a possibility.

## Fundamental Analysis

Similar to Bitcoin, the price of Ethereum (ETH) was down last week due to macroeconomic issues and the statement made by the U.S. Treasury Secretary.

This week, the perpetual futures funding rates of ETH remain positive. Perpetual funding rates represent payments within the futures markets between participants long or short of the asset. Hence, it can be a sign that market sentiment has started to be positive.

## On-chain Analysis

### Bitcoin: Transaction Count Momentum



With the launch of BRC-20 tokens this week, the Bitcoin network saw a historically huge flood of demand for block space. BRC-20 is a suggested system for producing tokens on the Bitcoin ledger.

Miners could fill blocks with a record number of transactions due to the small data footprint of text inscriptions and the high rates BRC-20 customers were ready to pay. This week, a new ATH daily transaction total of 682k was established, surpassing the 2017 peak by 39%.

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